

Single or **composite indicators** can hide wide variations within a given population. The total economic output of a country may be rising and, given a stable population, GDP per capita will rise as a result. However, if the rewards of this growth are distributed unequally, then the indicator will underestimate both the wealth of the wealthiest and the poverty of the poorest. This would then not accurately reflect the quality of life of the average citizen.

## Indicators of development

There is more to quality of life than just economic activity. It is also necessary to measure social and environmental factors. For example, the **UN's** Human Development Index (HDI) measures average achievement in three basic dimensions of human development: a long and healthy life, knowledge, and a decent standard of living. This is known as a composite indicator because it measures more than one characteristic of a country's standard of living. It allows a comparison so that countries may consider their different human development outcomes. For example, Malaysia has a higher GNP per capita than Chile, but in Malaysia life expectancy at birth is about seven years shorter and expected years of schooling are 2.5 years shorter than in Chile. Chile therefore has a higher HDI value than Malaysia. This contrast can stimulate debate about the impact of government policies on quality of life.

There is also more to quality of life than that which is easily measured. Below is a list of significant factors:

- freedom of speech and political voice
- the impact of conflict or corruption
- equality of opportunity, such as level of gender and racial discrimination
- individual perception, such as aspirations and hope for the future
- quality of the environment, including housing
- social, economic and environmental **sustainability**
- religion and respect for tradition.

The traditional economic and social indicators of development omit these factors because they require qualitative measurements. As a result, the UN General Assembly placed 'happiness' on the global development agenda in July 2011. The Happiness Index goes beyond economic concerns and measures sustainable development, preservation and promotion of cultural values, conservation of the natural environment and the establishment of good governance. In 2015 the UN also established its Sustainable Development Goals.

### CASE STUDY: Gender Inequality Index (GII)

The Gender Inequality Index (GII) measures gender disparity. It has been created by the United Nations Development Programme (UNDP). According to the UNDP, this index is a composite measure which captures the loss of achievement within a country due to gender inequality. It uses three dimensions to do so: reproductive health, empowerment and labour market participation. Reproductive health measures maternal mortality and adolescent fertility rates. Women's health during pregnancy and childbearing is considered by the UN to be a sign of women's status in society. High rates of adolescent pregnancy are considered to reflect low educational opportunities for women and weak life choices. Empowerment measures female membership of parliament and participation in higher education. Both measures are considered to expand women's freedom by increasing their ability to question. They also measure access to information and public involvement. Labour market participation accounts for paid work, unpaid work, and actively looking for work, and is considered to measure economic aspects of gender inequality. However, it does not measure family work, a significant limitation. In 2014, Slovenia ranked highest, followed by Switzerland; the UK was ranked 39th out of 155 countries, USA 55th, Qatar 116th. The greatest inequality levels were measured in Niger and Yemen.

### ACTIVITY

1. Study the list of significant factors that may affect quality of life. For each, suggest how it could improve or reduce the quality of life of a person.
2. Compare the GII with other indicators of globalisation. Is there a link between the level of development and GII or the amount of globalisation and GII? Suggest reasons for your answers.

## Globalisation's winners and losers

Globalisation has created winners and losers between and within developed, emerging and the least developed economies. Some societies are more concerned about equality of opportunity, others more about equality of outcome. Europeans tend to be more egalitarian, believing that in a fair society there should be no big income gaps. People from the USA and China put more emphasis on equality of opportunity; provided people can move up the social ladder, they believe that a society with wide income gaps can still be fair.

Global inequality, the income gaps between all people on the planet, has begun to fall as poorer countries catch up with richer ones. Two French economists, François Bourguignon and Christian Morrisson, have calculated a 'global Gini' that measures the scale of income disparities among world citizens.

Figure 4.12 shows the change in the Gini coefficient for selected countries between 1980 and 2010. Income inequality has been widening in developed economies such as Germany and also in emerging economies such as India. The exception to this pattern is Brazil, and Latin America generally has had a reduction in income inequality over recent years, albeit from a starting point of great inequality.

South Korea took only two generations to move from a mainly agrarian society to a globalised economic leader. In 1962, GDP per capita (PPP) was only \$1704, by 1990 it had reached \$12,087 and in 2014 it was \$33,629 which was 189% of the world average. The majority of the economy is reliant on trade, especially the exports of ships, cars, integrated circuit semi-conductors, flat screens and mobile phones. Exports have been affected by the Asian financial crisis (1997/8) and the world recession (2008) but have always recovered due to the strong global links that the country has developed. In 1962, exports contributed 24.4% of GDP, in 1998 this was 44.3% and in 2010, 54.8%. The period 1994 to 2004 saw the country move from a 'middle income' to 'advanced income' country. Global links have helped South Korea, starting with the USA in the 1950s and 1960s, and then Japan and the EU, and more recently China: in 2014, 26% of exports went to China and 13% to the USA. South Korean culture has also had a measure of global impact, for example, the musician Psy, and manhwa.

## CASE STUDY: Air Pollution Indices

Winners and losers from globalisation can also be measured in terms of environmental quality. The eastern zones of UK cities were often dominated by poorer residents during the period of the industrial revolution, as the prevailing westerly winds blew air pollution from coal fires and factories over these areas. Similar issues regarding air quality can be seen in emerging economies today. In Malaysia, air quality is reported as the API (Air Pollutant Index). This measures sulphur dioxide ( $\text{SO}_2$ ), nitrogen dioxide ( $\text{NO}_2$ ), suspended particulates ( $\text{PM}_{10}$ ), carbon monoxide ( $\text{CO}$ ) and ozone ( $\text{O}_3$ ). If the API exceeds 500, a state of emergency is declared. This means that non-essential government services are suspended, and all ports in the affected area are closed. Private sector commercial and industrial activities may also be forced to suspend activities. The highest API value ever recorded was 1986, in Palangkaraya on 22 September 2015 during the 2015 South-East Asian haze. In Hong Kong, they use an Air Quality Health Index. This informs residents of the short-term health risk of air pollution, so they can take precautionary measures. The drive to industrialise and economically develop as part of the globalisation process can be seen as responsible for the increased energy use and air pollution emissions.

## Trends in economic development

The world as a whole has not become more unequal as a result of globalisation. However, trends in economic and environmental development since 1970 do show that some regions are more unequal than others. After the Second World War, Western nations experienced increased economic wealth, while their former colonies and the communist world did not. This happened because the industrial economies of the 'West' were more advanced, with more productive workers and political policies that ensured a relatively equal distribution of the economic benefits. By the 1970s, average income per person in the ten richest countries was around 40 times higher than that in the ten poorest.

From around 1980 poorer countries began to catch up with richer ones, and within those countries richer people gained wealth faster than poorer people. The surge in emerging markets began with **China's Open Door Policy** (see page 182). By the 2000s the majority of emerging economies were growing faster than rich countries, to such an extent that global inequality started to fall, even as the gaps within many countries increased. Figure 4.13 shows the Port of Ningbo-Zhoushan, located on the coast of the East China Sea. It provides evidence of China's rapid growth; this port is now the busiest in the world in terms of cargo tonnage.

The huge changes that have swept the world economy since 1980 – globalisation, **deregulation**, the information technology revolution and the associated expansion of trade, capital flows and global supply chains – all narrowed the income gaps between countries, yet widened them within countries at the same time. The global reach of the modern economy hugely increased the size of markets and the rewards to the most successful. New technologies pushed up demand for well-educated people, boosting the incomes of skilled workers. The integration of some 1.5 billion emerging economy workers into the global market economy boosted economic returns, ensuring that the 'haves' would have more. It also exposed low-skilled workers in developed economies to competition from low-skilled workers in emerging economies. The relatively high wages of low-skilled workers in the developed world put them at a severe disadvantage and as a result these groups have experienced unemployment and wage uncertainties due to globalisation. As shown by the closure of steel works in the UK at the beginning of 2016, when Indian company Tata decided that it was no longer economical to run them.

### Synoptic link



Globalisation has affected the success of industries in developed countries as competition has increased, for example, car manufacturing in the USA met competition from Japan, and the steel industry in the UK met competition from east Asian countries. These impacts shaped places in the UK for example and prompted the need for regeneration (see page 225).

**CASE STUDY: RANA PLAZA**

In 2013, a eight-storey factory building housing the Rana Plaza clothing company collapsed, killing over 1000 people. the building was typical of many that had been built quickly to meet the rising demands of the world clothing industry; where Bangladesh found itself able to fill a gap in the world market for cheap clothing. Prior to this disaster, extra floors had been added to the building, and cracks appeared in columns leading to a closure due to safety concerns. However, the building was then declared safe and workers had reluctantly returned to work, as other buildings had been known to collapse. Bangladesh has low wages and so is able to meet the needs of suppliers on high streets of developed countries, and the growing 'fast fashion' business due to global communication and IT links which allow it to respond quickly to consumer demands. The country's clothing exports increased from \$6 bn in 2004 to \$21 bn in 2013 and the country is regarded by some, such as Goldman Sachs, as having the potential for economic 'take-off'. There have been global campaigns to improve working conditions (health and safety), pay and child labour, but prior to 2013, this did not include the construction of buildings. Typical working data in these factories are: 10 hours a day, 6 days a week, 300 days a year for \$90 a month. An estimated 20% of the Bangladesh population depend on the clothing industry.

The United Nations, clothing brands, unions and the Bangladesh government have combined to try and ensure that all factory buildings are properly surveyed. The Rana Plaza Arrangement Fund was set up to provide compensation for survivors and families of those killed, with contributions from 29 global brands who had their clothing made in the factory. 'Who is to blame for the disaster?' is a difficult question to answer due to the complexities of globalisation.

# Globalisation and social and political tensions

Open borders, deregulation and encouragement of foreign direct investment have created culturally mixed societies. As a result, there are many migrant **diasporas**; for example, the UK is a **multicultural** society resulting from globalisation.

## CASE STUDY: Immigration and the changing face of the UK

In the years immediately following the Second World War, the UK received over 500,000 migrants from the Caribbean. The pull factor was work due to the rebuilding of industry in the UK following the war. There were no intervening obstacles because visa restrictions did not apply at this time to countries in the British Commonwealth. The push factors were poverty in the Caribbean associated with decolonisation. These migrants settled mainly in London. During the 1960s, UK textile industries in the Midlands and North West were booming and needed labour. About 750,000 Pakistanis and a million Indians were attracted by these pull factors. Again, few visa restrictions and cheaper air transport help to explain this migration. Conflicts in other former British colonies also led to refugee migration to the UK. Two notable refugee migrations were of Ugandan Asians (1972) and Vietnamese boat people from Hong Kong (1975), who settled in cities around the UK. This was a much smaller migration, with about 30,000 Ugandan Asians and 20,000 Vietnamese involved. As migration became more controversial, UK governments increased the restrictions on migrants from overseas. The one exception is EU migrants, because all EU citizens have the right of free movement within the EU. In 2004, poorer countries in central and eastern Europe joined the EU and since then it is estimated that over a million migrants from these countries have come to the UK. Unlike previous migrations, many more of these migrants have settled in provincial towns and rural areas.

Figure 4.14 shows the distribution of foreign-born diasporas in UK regions, based on the 2011 census. It shows that the number of foreign-born residents in England and Wales has increased by nearly 3 million since 2001 to 7.5 million people, which means that 13 per cent of UK residents were born outside the country. The most common countries of birth outside the UK are India, Poland and Pakistan. The number of ethnic white British people is down to 80 per cent, and London has become the first region where white British people have become a minority. In 2011 45 per cent (3.7 million) of people in the capital described themselves as white British, down from 58 per cent (4.3 million) in 2001.

## Rapid social change and the rise of social tensions

Viewed from one perspective, globalisation has eroded the traditional power of the state and players such as **unions** to protect citizens from rapid social change. Decisions on the best location for investment, and therefore employment, are taken by **TNCs** and **international financial institutions**. At a national level, social security systems are being reshaped and the ability of governments to control migration flows is being reduced. This leads to insecurity at work, greater inequality within communities, and a loss of confidence in elected governments to manage the negative impacts of globalisation.

It is no surprise that social tensions are increasing as a result of these trends. As a result, popular right-wing political parties that **argue for controls** on globalisation are gaining support. In Europe, the **Front National** in France, **Swedish Democrats** and the **Austrian Freedom Party** are good examples of this. Figure 4.15 shows Marine Le Pen, President of the Front National in France, speaking at a rally in Paris on 1 May 2015.

According to a 2015 report 'The Rise of Populist Extremism in Europe' by Matthew Goodwin for Chatham House, support for these parties is mainly from specific social groups: economically insecure lower middle-class citizens, and skilled and unskilled manual workers. These groups have a **profound hostility** towards immigration, multiculturalism and cultural and ethnic diversity. They are less motivated by feelings of economic competition from immigrants and minority groups, than by the feeling that immigration and rising diversity **threaten their national culture**, the unity of the nation and the national way of life. Popular extremist parties suggest that minority groups (with an increasing focus on Muslims) pose an economic and major cultural threat to European societies. They also claim that mainstream parties are **unable or unwilling** to respond to this threat.

## Environmental tensions from globalisation

The same transnational processes which have reshaped the world of work have significant impacts on the natural environment. The apparent weakness of government and non-government organisations to manage these changes and impacts also applies to transboundary environmental resources. An example is transboundary water sources. A water conflict may arise in any location that experiences rising demand, diminishing supply or conflicting user needs. The UN has established the Helsinki Rules to encourage management of transboundary resources on an equitable basis, but the pressures of development and population growth may prevent cooperation.

### CASE STUDY: Transboundary water conflict in the Nile Basin

There is significant rising demand for water in the Nile Basin. For example, Ethiopia wants to use the Nile River for HEP plants and industrial development. All countries with access to the river have invested in irrigation following the 2008 food crisis. Moreover, high population growth rates are increasing demand – for example, Egypt's population is forecast to almost double to 150 million by 2050. There is a diminishing supply of water, due to desertification, salinisation and increased evaporation linked to climate change. Deteriorating water quality has resulted in the increased prevalence of waterborne disease. Furthermore, inefficient dams worsen problems of supply, due to siltation. Finally, there are many conflicting user needs. The Nile is the world's longest river, flowing through ten countries, with 360 million people depending on it for survival. About 85 per cent of its water originates in Eritrea and Ethiopia, but 94 per cent is used by Sudan and Egypt. The waters are split 75/25 between Egypt and Sudan by the Nile Waters Treaty of 1959.

However, Ethiopia and Kenya need increased water allocation for their development (HEP, irrigation of commercial farms, tourism facilities). Egypt fears that storing water behind the proposed Ethiopian Renaissance dam will reduce the capacity of its own Lake Nasser (thereby reducing the power-generating capacity of Egypt's giant hydroelectric plant at Aswan). Ethiopian officials have sought to allay fears by pointing out that storing water in their cooler climate will ensure much less water is lost to evaporation, but Egyptians are unconvinced. The Nile Basin Initiative is an IGO with the potential to allow for equitable use of this transboundary resource along the lines of the Helsinki rules. All countries have been participating in its meetings since 2001. The secretariat deals with technical matters and holds ministerial gatherings. It agrees on irrigation and HEP projects, many with World Bank support (agreements on equitable use are often a criterion for loans). However, Egypt is the dominant economic and military power in the region and is not prepared to negotiate away its advantages under the 1959 treaty. Moreover, many countries within the river basin are politically unstable and suffer from corruption, which hinders transnational cooperation.

### ACTIVITY

Suggest how globalisation has increased environmental tension between some countries.

## Attempts to control the spread of globalisation

Some countries, such as China, have taken more radical steps to control the impact of globalisation, through censorship.

### CASE STUDY: The Great Firewall of China

Amnesty International reported in 2014 that China has the largest recorded number of imprisoned journalists and cyber-dissidents in the world. These people were imprisoned for communicating with groups abroad, signing online petitions, or calling for reform and an end to corruption. The government is concerned that online tools such as instant messaging services, chat rooms and text messages will help to organise or publicise anti-pollution and anti-corruption protests and ethnic riots.

The government of China has made 60 internet regulations, to be implemented by provincial branches of state-owned internet service providers. The BBC has estimated that more than 2 million people are directly or indirectly monitoring the internet for the Chinese government. This has the effect of blocking website content and restricting the internet access of individuals.

More broadly, the motivation for censorship is shown by a favourite saying of Deng Xiaoping (the paramount leader of China from 1978 until his retirement in 1992) in the early 1980s: 'If you open the window for fresh air, you have to expect some flies to blow in.' The saying is related to a period of economic reform in China that became known as the 'socialist market economy'. Superseding the political ideologies of the Cultural Revolution, these reforms led China towards a market economy, open to foreign investors. Nonetheless, the Communist Party of China has moved to protect its values and political ideas by 'swatting the flies' of other ideologies.

Other countries have sought to place limits on migration. For example, despite facing an imminent labour shortage due to its ageing population, Japan has done little to open itself up to immigration. Restrictive immigration laws bar the country's farms and factories from employing foreign labour, and stringent qualification requirements shut out skilled foreign professionals. There is a web of complex rules and procedures that discourage entrepreneurs from setting up in Japan. The Liberal Democratic Party unveiled a plan in 2008 calling for Japan to accept at least 10 million immigrants. However, opinion polls showed that most Japanese were opposed to this, and the Liberal Democrat Party went on to lose the election. A survey by the newspaper *Asahi Shimbun* showed that 65 per cent of respondents opposed a more open immigration policy.

### Attitudes towards migration in the UK

Ipsos MORI conducts a monthly poll asking respondents to name the most important issue facing the UK, and after they reply they are then asked to name any 'other important issues'. Respondents are not prompted with particular topics; rather, they reply with whatever comes to mind. Immigration ranks consistently among the top five issues. As of June 2015, it was the issue picked most often by respondents (45 per cent). The 2013 British Social Attitudes Survey found that 77 per cent of respondents endorsed reducing immigration either 'a lot' or 'a little'. However, a 2010 survey by Transatlantic Trends found that 72 per cent of the UK public supported admitting more doctors and nurses from other countries to cope with increasing health care demands, and 51 per cent supported admitting more care workers to help manage the burdens of an ageing population.

## Trade protectionism

Protectionism is the economic policy of limiting trade between countries through tariffs on imported goods, restrictive quotas, and regulations that disadvantage foreign companies compared to domestic ones. Protectionists **believe** that there is a need for restrictions on trade in order to protect the economy, the standard of living of domestic workers and the dominant culture. Moreover, many argue that it is impossible for young businesses and industries at an early stage of development to become established unless they are protected from the full rigours of free trade for a period of time.

### CASE STUDY: *L'exception culturelle*

*L'exception culturelle* is a political concept introduced by France in the General Agreement on Tariffs and Trade (GATT) negotiations in 1993. It allows for culture to be treated differently from other commercial products. The aim is to ensure that countries can restrict imports of foreign films and media in order to limit cultural erosion. It also allows countries to subsidise cultural activities, such as film production, in a way that would be banned for the manufacture of cars, for example.

France has taken advantage of *l'exception culturelle*. For example, the National Centre of Cinematography taxes cinema ticket sales and uses the revenue to aid the production and distribution of French cinema. Another example of protectionist measures is the *Loi sur l'audiovisuel*, which specifies that 'radio has to broadcast 40 per cent French songs'. The policy has had some limited success; for example, between 2005 and 2011, only 50 per cent of films shown in French cinemas were American imports, compared to 60 to 90 per cent in other European countries.

## Protecting cultural identity

Some minority groups seek to retain their cultural identity in the face of a globalising world, while embracing its economic advantages. Figure 4.16 shows members of the Haida Nation standing with elders during a 1985 protest over logging on South Moresby Island in British Columbia, Canada. Following the 1993 Gwaii Haanas Agreement between the Canadian government and the Council of Haida Nation, the entire archipelago and surrounding waters became protected and were renamed the Gwaii Haanas National Park Reserve and Haida Heritage Site.

### ACTIVITY

Evaluate the ways in which cultural identity can be protected from change due to globalisation forces.



**Figure 4.16:** Members of the Haida Nation, a Canadian First Nation, protesting against logging, November 1985

### CASE STUDY: Canada's First Nations

The First Nations are the various aboriginal peoples of Canada. There are currently 634 recognised First Nations governments, which are represented at the Assembly of First Nations, which protects their rights and culture. They have cultures spanning thousands of years, often recorded in oral histories. Self-government has given First Nations powers that combine those of a province, school board, health board and municipality. For example, the Fort McKay First Nation in Alberta has worked with the Canadian oil sands industry to protect their land and culture, but also to benefit economically by providing services to the industry. This First Nation agreed a 20-km exclusion zone between an oil sands development, which produces 250,000 barrels of bitumen a day, and its Moose Lake reserve lands. Second, they negotiated contracts to provide services for the oil sands industry from their own First Nations companies worth more than US\$100 million annually.

## Concerns about the consumer society

Globalisation has resulted in masses of cheaply produced food and goods crossing between continents. Low production costs have driven global levels of **consumption** higher as prices have fallen relative to earnings. There are also more consumers: the global population was 3.7 billion in 1970 but is predicted by the UN to reach 10 billion by 2050.

Here are some examples of how higher incomes have changed consumer patterns:

- Global meat production has more than quadrupled in the last half century, to over 308 million tonnes in 2013, bringing with it considerable environmental and health costs due to the large-scale use of water, feed grains, antibiotics and grazing land required.
- Coffee production has doubled since the early 1960s – although an estimated 25 million coffee growers worldwide are at the mercy of extreme price volatility.
- Since 1960 global plastic production has continued to rise, with 270 million tonnes of plastics produced in 2013 alone. **Recycling** rates remain low and most plastics end up in landfill and the oceans – polluting ecosystems, entangling wildlife and blighting communities.
- The world's fleet of cars is now over 1 billion, with each vehicle contributing greenhouse gases and reducing air quality.

## The rise of localism

Owing to globalisation, goods that were once sourced locally are now imported. The negative effects of our consumption are often experienced in places distant from where consumers live. Consumers often do not know the full footprint of the products they are buying, such as the embedded water in a T-shirt or steak, the pesticide exposure of cotton farmers, or the local devastation caused by timber companies cutting down softwood forests to produce paper.

However, some **local groups and NGOs** promote local sourcing as a response to globalisation, with the aim of increasing sustainability. Localism describes **a range of political philosophies that prioritise local** over regional and global. Generally, localism supports local production and consumption of goods, local control of government, and promotion of local history, local culture and local identity.

## CASE STUDY: Winchester Action on Climate Change (WinACC)

WinACC is an example of a local group that is promoting local actions to mitigate the negative effects of globalisation, in particular the negative environmental impact of a **consumer society**. WinACC helps people save energy in their homes and businesses, and save money and keep warm in winter. WinACC presses for better public transport, supports sustainable renewable energy schemes, large and small, and works closely with local councils to support the emerging low-carbon economy.

An example is the rolling out of the Cool Communities programme in Winchester. This creates EcoGroups, comprising five or six individuals from different households in a local community. They form neighbourhood groups that meet in each other's homes to discuss ways of reducing their carbon footprint in a fun and sociable environment. WinACC is also involved in the SAVE programme, a two-year project funded by OFGEM, the energy industry regulator, to research the best method of communicating energy reduction messages to the public.

The Bristol Pound is a local and community currency that was created to improve Bristol's local economy. Its primary aim is to support independent traders, in order to maintain diversity in business around the city. The scheme is a joint not-for-profit enterprise between the **Bristol Pound Community Interest Company** and **Bristol Credit Union** (Table 4.11).

**Table 4.11:** The economic, social and environmental costs and benefits of the Bristol Pound

	Costs	Benefits
<b>Economic</b>	Consumers can miss out on the price benefits of competition in national and regional markets. For example, the supermarkets Aldi and Lidl often charge lower prices than local traders, as a result of their European scale and buying power.	Money keeps on circulating locally to benefit local independent businesses in the area; this is called the local multiplier effect. If the money is spent at a supermarket chain instead, more than 80 per cent will leave the area almost immediately.
<b>Social</b>	Like all localism schemes, the Bristol Pound is very inclusive locally, but excludes outsiders. The mirror image of the social capital being built locally is the disincentive created to build wider connections.	Using a local currency creates stronger bonds between local consumers and businesses. This increases social capital (the value of social networking in spreading trust and cooperation so that everyone benefits).
<b>Environmental</b>	Global trade allows for commodities to be produced in the most resource-efficient location. For example, flowers can be grown with fewer energy inputs in Kenya than in European glasshouses. The costs of transport do not necessarily outweigh these gains.	Local trade reduces dependence on international trade and enhances self-sufficiency. This should decrease emissions through reduced transportation costs.

"It is not just about saving energy and reducing carbon emissions, it helps people feel more a part of the community"

"The Transition Network doesn't aim to frighten people about the future, it wants to find opportunities where there are threats."

"I love our community orchard that supplies local produce and reduces 'food miles'."

## CASE STUDY: Transition towns and sustainability

A transition town is a community project that seeks to build resilience in response to the issues of peak oil, climate change and economic instability, by creating local groups that uphold the values of the transition network. The idea began in Totnes in the UK in 2006, and has now spread to more than 1000 communities worldwide, such as Albuquerque in the USA. The main purpose of transition towns is to raise awareness of sustainable living and to build local ecological resilience in the near future. Ecological resilience is the ability of a natural area to maintain its normal patterns and processes without being damaged by a disturbance. A key aim is build local resilience to the challenge of peak oil, by reducing dependence on fossil fuels. Communities are encouraged to seek out methods for reducing energy usage, as well as reducing their reliance on long supply chains that depend on fossil fuels. Food is a key area for transition; sometimes the slogan 'Food feet, not food miles' is used.

Initiatives so far have included creating community gardens and replacing ornamental tree plantings with fruit or nut trees for food. Communities seek to match the waste of one industry with another industry that uses that waste material, a scheme sometimes referred to as 'industrial symbiosis'. Repairing old items rather than throwing them away is encouraged. Central to the transition town movement is the idea that a life without oil could in fact be far more enjoyable and fulfilling than the current dependent pattern. Towns aspire to be somewhere much better to live in than places built on a consumer culture, which is perceived as wasteful and greedy. Therefore, the philosophy is to rebuild relationships within the community and with the natural world. Finally, transition initiatives generally include the global financial crisis as a further threat to local communities, and promote local complementary currencies as a way to create sustainable economies.

## Fair trade and ethical consumption

**Ethical consumption** is practised through 'positive buying'. This means deliberately choosing a purchase because of the product's ethical nature, or alternatively it could mean a 'moral boycott', such as not buying a product because of concerns over its ethical nature. The aim of ethical consumption is to **reduce the inequalities of global trade and improve the working conditions for disadvantaged groups**. This approach was popularised by the UK magazine **Ethical Consumer**, which produces 'ratings tables' for different products and services based on ethical criteria such as animal rights, human rights and pollution and toxics. This approach empowers consumers to make ethically informed consumption choices and provides campaigners with reliable information on corporate behaviour.

### ACTIVITY

Compare the success of 'transition towns' and 'fair trade' in helping ordinary people reduce the possible negative impacts of globalisation.

Such criteria-based ethical and environmental ratings have subsequently become commonplace for business-to-business corporate social responsibility and sustainability ratings, such as those provided by **Innovest**, **Calvert** and **Domini**. Businesses have become aware of the importance of ethical considerations, and increasingly present themselves to their consumers as morally and environmentally aware. For example, **Marks & Spencer** announced their 'Plan A' in 2007. This set out 100 commitments to source responsibly, **reduce waste and help communities** over five years. To support their goal of **becoming** the world's most sustainable retailer Marks & Spencer have launched their Plan A 2020. The plan combines 100 existing commitments with revised and new ones.

### CASE STUDY: The Fairtrade system

The international Fairtrade system seeks greater equity in international trade by promoting fair terms of trade to benefit farmers and workers. It is a trading partnership of NGOs, based on dialogue, transparency and respect that includes three producer networks, 25 Fairtrade organisations, Fairtrade International, and FLOCERT, the independent certification body. The Fairtrade mark on a product guarantees that its ingredients have been produced by small-scale farmer organisations or plantations that meet Fairtrade social, economic and environmental standards. The Fairtrade minimum price and an additional Fairtrade premium are paid to the producer to invest in business or community projects.

For certain products, such as coffee, cocoa, cotton and rice, farmers are encouraged to build small-scale democratic organisations. These offer rural families a stable income, which enables them to plan for the future. For some products, such as bananas, tea and flowers, Fairtrade also certifies plantations, the companies that employ large numbers of workers on estates. These large-scale producers must protect workers' basic rights, keep them safe and healthy, allow them freedom of association and collective bargaining, prevent discrimination and guarantee that they use no bonded or illegal child labour. Fairtrade also requires employers to pay wages that progress towards living wage benchmarks. The producers themselves decide how the Fairtrade premium should be invested to improve schools, transport, health care, sanitation, the natural environment and business equipment and practices.

#### AS level exam-style question

Explain why it might be considered unethical to buy consumer products made in developing countries. (6 marks)

##### Guidance

You could categorise your reasons: social concerns and environmental concerns, for example.

#### A level exam-style question

Explain how globalisation may change cultural identity. (4 marks)

##### Guidance

Give specific case-study examples rather than making generic comments on cultural identity.

### Resource recycling

Recycling has a role in managing resource consumption and ecological footprints. EU countries are aiming to recycle at least half of their municipal waste by 2020. By doing so, waste will be diverted from landfill and raw materials reused for new consumption, offering lower environmental costs as well as employment. For example, recycling an aluminium can saves 95 per cent of the energy required to make a new one from scratch.

From a lifecycle perspective, increased recycling in the EU between 2001 and 2010 successfully cut greenhouse gas emissions from municipal waste by 56 per cent. However, this EU-wide figure hides great variation within the EU: Germany has a recycling rate of 62 per cent whereas Romania's rate is only 1 per cent. Moreover, some resources – such as paper, metals and glass – are commonly recycled, while other materials – such as cling film, medicine packaging, razor blades and crockery – are rarely recycled.

### CASE STUDY: Keep Britain Tidy

In 1954 the Keep Britain Tidy organisation was formed by the National Federation of Women's Institutes. They wanted to address the rising problem of litter in what they saw as an emerging 'throwaway society'. By 1969, the iconic 'Tidyman' logo began appearing on bins and packaging to encourage people not to drop litter. The organisation is much larger now and engaged in a range of environmental programmes, including projects to reduce litter on beaches, in parks and in schools. The organisation works with business, government and local communities to reduce and manage waste in environmentally friendly ways.